



Europe fit for the Digital Age: Commission proposes new rules for digital platforms

Brussels, 15 December 2020

The Commission has proposed today an ambitious reform of the digital space, a comprehensive set of new rules for all digital services, including social media, online market places, and other online platforms that operate in the European Union: the [Digital Services Act](#) and the [Digital Markets Act](#).

European values are at the heart of both proposals. The new rules will better protect consumers and their fundamental rights online, and will lead to fairer and more open digital markets for everyone. A modern rulebook across the single market will foster innovation, growth and competitiveness and will provide users with new, better and reliable online services. It will also support the scaling up of smaller platforms, small and medium-sized enterprises, and start-ups, providing them with easy access to customers across the whole single market while lowering compliance costs. Furthermore, the new rules will prohibit unfair conditions imposed by online platforms that have become or are expected to become gatekeepers to the single market. The two proposals are at the core of the Commission's ambition to make this Europe's Digital Decade.

Margrethe **Vestager**, Executive Vice-President for a Europe fit for the Digital Age, said: *"The two proposals serve one purpose: to make sure that we, as users, have access to a wide choice of safe products and services online. And that businesses operating in Europe can freely and fairly compete online just as they do offline. This is one world. We should be able to do our shopping in a safe manner and trust the news we read. Because what is illegal offline is equally illegal online."*

Commissioner for Internal Market Thierry **Breton** said: *"Many online platforms have come to play a central role in the lives of our citizens and businesses, and even our society and democracy at large. With today's proposals, we are organising our digital space for the next decades. With harmonised rules, ex ante obligations, better oversight, speedy enforcement, and deterrent sanctions, we will ensure that anyone offering and using digital services in Europe benefits from security, trust, innovation and business opportunities."*

Digital Services Act

The landscape of digital services is significantly different today from 20 years ago, when the eCommerce Directive was adopted. Online intermediaries have become vital players in the digital transformation. Online platforms in particular have created significant benefits for consumers and innovation, have facilitated cross-border trading within and outside the Union, as well as opened up new opportunities to a variety of European businesses and traders. At the same time, they can be used as a vehicle for disseminating illegal content, or selling illegal goods or services online. Some very large players have emerged as quasi-public spaces for information sharing and online trade. They have become systemic in nature and pose particular risks for users' rights, information flows and public participation.

Under the Digital Services Act, binding EU-wide obligations will apply to all digital services that connect consumers to goods, services, or content, including new procedures for faster removal of illegal content as well as comprehensive protection for users' fundamental rights online. The new framework will rebalance the rights and responsibilities of users, intermediary platforms, and public authorities and is based on European values - including the respect of human rights, freedom, democracy, equality and the rule of law. The proposal complements the [European Democracy Action Plan](#) aiming at making democracies more resilient.

Concretely, the Digital Services Act will introduce a series of new, harmonised EU-wide obligations for digital services, carefully graduated on the basis of those services' size and impact, such as:

- Rules for the removal of illegal goods, services or content online;
- Safeguards for users whose content has been erroneously deleted by platforms;
- New obligations for very large platforms to take risk-based action to prevent abuse of their

systems;

- Wide-ranging transparency measures, including on online advertising and on the algorithms used to recommend content to users;
- New powers to scrutinize how platforms work, including by facilitating access by researchers to key platform data;
- New rules on traceability of business users in online market places, to help track down sellers of illegal goods or services;
- An innovative cooperation process among public authorities to ensure effective enforcement across the single market.

Platforms that reach more than 10% of the EU's population (45 million users) are considered systemic in nature, and are subject not only to specific obligations to control their own risks, but also to a new oversight structure. This new accountability framework will be comprised of a board of national Digital Services Coordinators, with special powers for the Commission in supervising very large platforms including the ability to sanction them directly.

Digital Markets Act

The Digital Markets Act addresses the negative consequences arising from certain behaviours by platforms acting as digital "gatekeepers" to the single market. These are platforms that have a significant impact on the internal market, serve as an important gateway for business users to reach their customers, and which enjoy, or will foreseeably enjoy, an entrenched and durable position. This can grant them the power to act as private rule-makers and to function as bottlenecks between businesses and consumers. Sometimes, such companies have control over entire platform ecosystems. When a gatekeeper engages in unfair business practices, it can prevent or slow down valuable and innovative services of its business users and competitors from reaching the consumer. Examples of these practices include the unfair use of data from businesses operating on these platforms, or situations where users are locked in to a particular service and have limited options for switching to another one.

The Digital Markets Act builds on the horizontal [Platform to Business Regulation](#), on the findings of the EU [Observatory on the Online Platform Economy](#), and on the Commission's extensive experience in dealing with online markets through competition law enforcement. In particular, it sets out harmonised rules defining and prohibiting those unfair practices by gatekeepers and providing an enforcement mechanism based on market investigations. The same mechanism will ensure that the obligations set out in the regulation are kept up-to-date in the constantly evolving digital reality.

Concretely, the Digital Markets Act will:

- Apply only to major providers of the core platform services most prone to unfair practices, such as search engines, social networks or online intermediation services, which meet the objective legislative criteria to be designated as gatekeepers;
- Define quantitative thresholds as a basis to identify presumed gatekeepers. The Commission will also have powers to designate companies as gatekeepers following a market investigation;
- Prohibit a number of practices which are clearly unfair, such as blocking users from un-installing any pre-installed software or apps;
- Require gatekeepers to proactively put in place certain measures, such as targeted measures allowing the software of third parties to properly function and interoperate with their own services;
- Impose sanctions for non-compliance, which could include fines of up to 10% of the gatekeeper's worldwide turnover, to ensure the effectiveness of the new rules. For recurrent infringers, these sanctions may also involve the obligation to take structural measures, potentially extending to divestiture of certain businesses, where no other equally effective alternative measure is available to ensure compliance;
- Allow the Commission to carry out targeted market investigations to assess whether new gatekeeper practices and services need to be added to these rules, in order to ensure that the new gatekeeper rules keep up with the fast pace of digital markets.

Next steps

The European Parliament and the Member States will discuss the Commission's proposals in the ordinary legislative procedure. If adopted, the final text will be directly applicable across the European Union.

Background

The [Digital Services Act](#) and the [Digital Markets Act](#) are the European answer to the deep reflection process in which the Commission, EU Member States and many other jurisdictions have engaged in recent years to understand the effects that digitalisation – and more specifically online platforms – have on fundamental rights, competition, and, more generally, on our societies and economies.

The Commission consulted a wide range of stakeholders in preparation of this legislative package. During the summer of 2020, the Commission consulted stakeholders to further support the work in analysing and collecting evidence for scoping the specific issues that that may require an EU-level intervention in the context of the Digital Services Act and the New Competition Tool, which served as basis for the proposal on the Digital Markets Act. The open public consultations in preparation of today's package, which ran from June 2020 to September 2020, received more than 3000 replies from the whole spectrum of the digital economy and from all over the world.

For More Information

[Questions and Answers on the Digital Services Act](#)

[Questions and Answers on the Digital Markets Act](#)

[Facts page: The Digital Services Act](#)

[Facts page: The Digital Markets Act](#)

[Results of the public consultation on the Digital Services Act](#)

[Results of the public consultation on a New Competition Tool](#)

[Website on antitrust procedures](#)

[European Democracy Action Plan](#)

[Political Guidelines of President von der Leyen](#)

[Brochure - How do online platforms shape our lives and businesses?](#)

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